

HarbourView racks up \$630m for music royalties fund

Defying a tough fundraising climate, the pool smashes its target while generating real-time cash flow and DPI.

Iris Dorian



Sherrese Clarke, HarbourView

Since its 2021 launch, [HarbourView Equity Partners](#) has been at the forefront of music investments. Led by CEO Sherrese Clarke, the Newark, New Jersey-based private equity firm, which is backed by both [Apollo Global Management](#) and [KKR](#), has acquired over 70 music catalogs encompassing over 35,000 songs across both master recordings and publishing income streams. Among the artists whose catalogs are in its holdings are Fleetwood Mac's Christine McVie, Pat Benatar and Nelly.

Recently, HarbourView closed its first commingled fund at over \$630 million, beating its \$500 million target. As [previously reported](#) by *Buyouts*, the HarbourView Royalties Fund I has been in the market since 2022, reporting its first close of about \$115 million that November, according to sources and a Form D filing.

Unlike other PE firms that have struggled in the current fundraising climate, HarbourView has thrived, capitalizing on an investment

strategy that became popular the last few years due to its recession-resistant ability to provide steady cash flow amid economic and geopolitical headwinds.

“It’s the only climate I’ve known,” said Clarke. “We’re a relatively young firm. This is our second fund. We didn’t know a different fundraising environment. We were leading the way in defining the broad consumption of an asset class in a category that’s fairly new for a lot of institutions.”

With Park Hill Group serving as placement agent, the fund’s LPs include public pension plans, foundations, funds of funds, and high-net worth individuals and retail investors.

“To be a GP raising capital you’re going to take 2,000 meetings to get 200 investors or even less,” explained Clarke, when asked if she encountered any challenges with LPs. “However, there is a community of LPs that believed in what we are building here. We’re telling a more nuanced story of both artist-led, value creation and a cash-yielding portfolio that allows investors to sleep well at night.”

As per [Buyouts data](#), the initial target was \$416.44 million, with that figure later being upped to \$500 million.

The fund, which wrapped up in late June, comes on the heels of several notable milestones for the firm. Last month, HarbourView closed \$500 million in debt financing from KKR. This latest financing expanded on the nearly \$500 million in debt financing HarbourView secured in 2024 from KKR.

Recent deals closed by HarbourView include a partnership with Will Smith’s Westbrook Studios, Flavor Unit and Jesse Collins Entertainment to finance a slate of hip-hop biopics, starting with a Queen Latifah biopic; and an investment in Usher’s concert film *Rendezvous in Paris*.

Already, HarbourView Royalties Fund I has been deployed in investments that include an acquisition of a stake in multiple Grammy Award-winning singer/entertainer Kelly Clarkson's music catalog.

“One reason why we overachieved on our fundraising target is that we are one of the rare funds in all of asset management, and especially relative to our peers in our space, that is delivering real-time cash flow and DPI,” said Clarke. “It’s really the tangible value creation layered on top of data-driven underwriting and portfolio construction that drives the first quartile private equity style return we have already delivered for the recently closed fund.”

As of September 30, 2024, the pool was generating an IRR of 6.08 percent, according to fund performance [data provided](#) by LP [Hartford Municipal Employees Retirement Fund](#).

Currently, HarbourView has about \$2.67 billion in regulatory assets under management.